



MACS IS THE WAY TO
GO

AN EMPLOYER'S
GUIDE TO
THE PAYROLL
DEDUCTION
BENEFIT

COLLEGE SAVINGS MISSISSIPPI
| MACS |

THE MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM

A BENEFIT FOR YOUR EMPLOYEES. A RECRUITING TOOL FOR YOU.



THE MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM (MACS) MAKES IT EASY to save for college tuition and other educational expenses, and offers special tax advantages.

OFFERING THE MACS PAYROLL DEDUCTION BENEFIT TO YOUR EMPLOYEES is a strong recruitment tool for your company. Not only are you making it easy for your employees to save for their children and grandchildren's educations, you're supporting higher education in Mississippi and improving the quality of the state's future workforce.

THIS GUIDE PROVIDES ALL THE INFORMATION YOU'LL NEED TO HELP YOUR EMPLOYEES BEGIN SAVING FOR COLLEGE TODAY.

If you have additional questions, call 601.359.5255 to speak with a relationship manager.

WHEN IT COMES TO HELPING YOUR EMPLOYEES SAVE FOR COLLEGE, MACS IS THE WAY TO GO.

MACS AT A GLANCE

» **MACS IS A PROGRAM** of College Savings Mississippi, and is administered by the Office of the State Treasurer, Lynn Fitch.

» **MACS IS A 529 PLAN**, a reference to the Internal Revenue Service code section that allows each state to establish its own college savings plan.

» **MACS ACCOUNTS CAN BE** used to pay for tuition, fees, certain room and board costs, and other higher education expenses at eligible colleges,

universities, vocational schools, or other post-secondary institutions anywhere in the country, and even at some schools abroad.

» **UNLIKE TAXABLE SAVINGS** products, MACS offers special tax advantages. All investment earnings are federal and state income tax deferred, and distributions are tax free if used to pay for qualified higher educational expenses. Contributions to MACS accounts may be deducted from Mississippi taxable income, up to \$10,000 for

single filers and \$20,000 for joint filers.

» **YOUR EMPLOYEE CAN** open a MACS account for a child, grandchild, friend, or relative for as little as \$15 through payroll deduction.

» **COLLEGE SAVINGS** Mississippi also offers your employees payroll deduction linked to participation in the Mississippi Prepaid Affordable College Tuition plan (MPACT), a 529 plan that allows participants to lock in college tuition at today's rates.

For more information on MACS or MPACT, visit www.ms529.com or call 601.359.5255



EMPLOYER RESPONSIBILITIES

OFFERING MACS THROUGH PAYROLL DEDUCTION IS A BIG BENEFIT FOR YOUR EMPLOYEES AND REQUIRES LITTLE EFFORT ON YOUR PART. SIMPLY:

- » **DISTRIBUTE MACS MATERIALS** and/or email MACS information to your employees.
- » **RECEIVE A COMPLETED, SIGNED COPY** of the payroll deduction form from the employee.
- » **SET UP THE PAYROLL DEDUCTION** using your payroll office's existing procedures. For accounts opened by mail, allow at least 10 days for MACS to open the account and establish payroll allocations before sending any payroll deduction contributions to MACS; otherwise, the Automated Clearing House (ACH) contributions may be rejected.
- » **SUBMIT PAYROLL CONTRIBUTIONS BY ACH FUNDS:**
 - » Code the account as "checking"
 - » Remit the payroll contributions to State Street Corporation using State Street's ABA number: 011000028
 - » Enter the account number, a 17-digit field, as follows:
 - » The first eight digits will enable State Street to identify MACS. Use the plan's DDA number: 99055279.
 - » The next nine digits will enable MACS to identify the employee. Use the employee's Social Security or Taxpayer Identification Number.

Note: Payroll contributions are posted to accounts based on the employee's Social Security or Taxpayer Identification Number, not the MACS account number.

An ACH contribution will be rejected and returned to the employer via ACH if:

- » the ABA number of the DDA account number is incorrect,
- » the account is not coded as "checking,"
- » the employee's Social Security Number or Taxpayer Identification Number is missing, incorrect, or incomplete, or
- » the employee's account is not yet opened.

This is an automated process. ACH rejections will continue to occur until the problem is appropriately resolved.



PLAN RESPONSIBILITIES

- » **MACS MUST RECEIVE** the payroll deduction form before the employer submits payroll contributions.
- » **MACS WILL PROCESS** the payroll contribution among the employee's MACS account(s) based on the allocations provided by the employee.
- » **IF MACS RECEIVES FUNDS** and the employee's payroll deduction form is not on file, MACS will take the following actions:
 - » If the employee has only one MACS account, funds will be deposited into that account.
 - » If the employee has multiple MACS accounts, funds will be returned to the employer.

In both cases, MACS will request the payroll deduction form from the account owner and/or the employer.

If MACS receives funds and cannot post them to an account for any reason, including missing, incorrect, and/or incomplete information, or if no account has been opened, funds will be returned to the employer within 24 hours of receipt through the ACH process.

THE MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM

EMPLOYEE RESPONSIBILITIES

It's easy to open a MACS account online or by mail. Payroll deduction makes college saving automatic – it's the easy, convenient way to go.

OPEN A MACS ACCOUNT ONLINE OR BY MAIL

TO OPEN AN ACCOUNT ONLINE:

- » VISIT WWW.MS529.COM
- » CLICK ON "Enroll Today," then click on "Enroll Online."
- » FOLLOW THE ONLINE INSTRUCTIONS to open a new account. If you'd like to open an account for more than one beneficiary, simply repeat the process. Be sure to download and read the disclosure booklet.
- » MAKE AN INITIAL CONTRIBUTION of at least \$25 into each investment option you select, unless you intend to make ongoing payroll contributions of \$15 or more into **each** investment option for **each** beneficiary.
- » COMPLETE, PRINT, AND SIGN the payroll deduction form. Use only one form to allocate your payroll contribution for all accounts and/or investment options.

TO OPEN AN ACCOUNT BY MAIL:

- » VISIT WWW.MS529.COM.
- » CLICK ON "Enroll Today," then click on "Download Enrollment Materials."
- » PRINT THE APPROPRIATE account application for each beneficiary. Be sure to download and read the disclosure booklet.
- » PRINT THE payroll deduction form.
- » MAKE AN INITIAL CONTRIBUTION of at least \$25 into each investment option you select, unless you intend to make ongoing payroll contributions of \$15 or more into **each** investment option for **each** beneficiary.
- » COMPLETE AND SIGN the account application(s) and the payroll deduction form. Use only one form to allocate your payroll contribution for all accounts and/or investment options.

Allow up to 10 days to open an account by mail.



*Note: Payroll contributions **will not** be accepted until the account is opened and each investment option is funded with at least \$15 for each investment option for each beneficiary, either when the account is opened or through recurring payroll contributions.*

ONCE YOU'VE COMPLETED THE ONLINE OR BY MAIL STEPS:

- » MAIL THE ORIGINAL payroll deduction form and account application(s), if applicable, to MACS at the address on the form.
- » SUBMIT A COPY of the payroll deduction form to your payroll department. Payroll deductions will begin on or after the effective date indicated on your form. If the deductions don't begin as expected or if you have questions about the timing of your payroll deductions, contact your employer's payroll department.
- » RETAIN COPIES of all forms for your records.

MAKING CHANGES TO YOUR MACS ACCOUNT

To change your payroll deduction amount or to stop payroll deductions, contact your employer. You do not need to notify MACS or College Savings Mississippi.

To make changes to your allocations among beneficiaries and/or to your investment options, submit a new payroll deduction form to MACS or call MACS to change allocations at any time.

Your updated instructions will replace any instructions you previously have on file with MACS in their entirety. This means that your allocations for all accounts and/or beneficiaries must appear on one form.

HOW TO COMPLETE THE AUTHORIZATION FOR AUTOMATIC PAYROLL DEDUCTION FORM

**EMPLOYEES MUST COMPLETE THE ENTIRE
FORM TO ESTABLISH PAYROLL DEDUCTION.**

EMPLOYEE'S NAME – The employee must be the registered account owner. An employee cannot contribute to an account owned by anyone else, including a spouse.

EMPLOYEE'S TELEPHONE NUMBER – Used to contact the employee, if necessary.

EMPLOYEE'S SOCIAL SECURITY NUMBER – Used to identify the employee and to post the payroll deduction contributions to the appropriate account(s) listed on the form.

EMPLOYER INFORMATION – Used to contact the employer if necessary. Required information includes employer name, address, telephone number, and a payroll department contact name (not the account holder's name).

EFFECTIVE DATE – The date the employee wants the employer to begin his/her payroll deductions. (For employer use only).

AMOUNT PER PAY PERIOD – The amount the employee authorizes the employer to deduct from his/her pay to remit to MACS. (For employer use only).

BENEFICIARY NAME – The name of each beneficiary that will receive a percentage of the payroll contributions. All beneficiary names must be listed on one form per employee (not per account).

INVESTMENT OPTION CODE OR FUND CODE – The name or fund code of each investment option that will receive a percentage of the payroll contributions. All investment option names for one or more beneficiaries should appear on **one** form per employee (not per account). A complete list of investment option names and fund codes appears on the payroll deduction form.

***Note:** The employee should check the appropriate box if a new investment option is being opened. The minimum initial contribution is \$15 or more into **each** investment option for **each** beneficiary for ongoing payroll contributions.*



PERCENTAGES – The whole percentage allocation of payroll contributions into each investment option. The total allocations for all beneficiaries and invest options must equal 100 percent. (For plan use only.)

Up to five beneficiary names and/or investment options can be entered on one form. An employee may submit an additional page to contribute to more than five accounts or investment options. The sum of all allocation percentages must equal 100 percent or the form will be rejected.

***Note:** Though only one deduction will be made from an employee's paycheck, one or more contributions may be made into MACS, depending upon the employee's allocation instructions. However, the sum of all MACS contributions for each beneficiary and/or investment option should equal the amount deducted from an employee's paycheck.*



Lynn Fitch
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